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上海實業控股有限公司
SHANGHAI INDUSTRIAL HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 363)

CONNECTED TRANSACTION

LEASING AND OPERATION OF STUDENT HOSTEL

INTRODUCTION

On 21 May 2026, Change HK, an indirect non-wholly owned subsidiary of the Company, and the Landlord entered into the Operation Lease, pursuant to which, Change HK has agreed to lease the Property located at 39, 41, 43, 45 and 47 Wai Ching Street, Jordan Road, Yau Ma Tei, Kowloon, Hong Kong from the Landlord and operate the Property as student hostel pursuant to the "Hostels in the City Scheme" (城中學舍計劃) of the HKSAR Government.

LISTING RULES IMPLICATIONS

SIIC is the controlling shareholder of the Company holding approximately 63.16% of the entire issued share capital of the Company, and is therefore a connected person of the Company. The Landlord is an indirect wholly-owned subsidiary of SIIC and therefore an associate of SIIC and a connected person of the Company.

Pursuant to HKFRS 16, the Property leased under the Operation Lease will be recognised as right-of-use assets, and the transaction contemplated under the Operation Lease will be recognised by the Company as an acquisition of right-of-use assets. Accordingly, the entering into of the Operation Lease constitutes a one-off connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the value of the right-of-use asset to be recognised by the Company in connection with the Operation Lease pursuant to HKFRS 16 exceed 0.1% but all of them are below 5%, the entering into of the Operation Lease and the transactions contemplated thereunder are subject to the reporting and announcement requirements, but are exempt from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

INTRODUCTION

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THE OPERATION LEASE

Date

21 May 2026

Parties

(1) Change HK; and
(2) Landlord

Subject Matter

The Landlord is the owner of the Property and is in the course of converting the Property into a student hostel. Pursuant to the Operation Lease, Change HK has agreed to lease the Property from the Landlord and operate the Property as student hostel pursuant to the "Hostels in the City Scheme" of the HKSAR Government.

Property

The Property is located at 39, 41, 43, 45 and 47 Wai Ching Street, Jordan Road, Yau Ma Tei, Kowloon, Hong Kong, comprising 21 floors, with a total gross floor area of approximately 4,045 square metres and 114 rooms.

Term

The initial lease term of the Operation Lease is 28 months commencing from the Commencement Date. The Commencement Date is the later of: (a) the date on which the Landlord delivers the Property to Change HK in a vacant, deliverable and reasonably fit state for preparation and operations as a student hostel; and (b) the date on which all necessary approvals, consents, or certifications from the Hong Kong Buildings Department or other relevant authorities have been obtained and the Landlord has provided all necessary consents and authorisations as landlord.

Change HK has a right of first refusal to renew the lease for successive periods of three years each. The renewal rent shall be negotiated based on the then prevailing market rent. Any renewal is subject to compliance with the applicable Listing Rules.

Rent

Period	**Amount**
From the Commencement Date to 31 August 2027 (if the Commencement Date falls before 1 September 2027)	Rent free
1 September to 31 December 2027	HK$4,000,000 (subject to pro-rata reduction if the Commencement Date falls after 1 September 2027)
For the year ending 31 December 2028	HK$16,000,000 per annum
For the year ending 31 December 2029	HK$16,000,000 per annum

The rent payable by Change HK under the Operation Lease during the initial lease term was determined by the parties to the agreement on an arm's length basis with reference to (i) the leased area, (ii) the geographical location and profile of the area surrounding the Property and, (iii) the prevailing market rent for similar properties in the same area in which the Property is located. The maximum amount of rent payable by Change HK under the Operation Lease during the initial lease term is HK$36,000,000. The rent shall be payable monthly in Hong Kong dollars.

Operational Arrangements

Change HK shall be solely responsible for the day-to-day operation and management of the student hostel, including formulating hostel policies and rules, recruiting and managing residents, entering into resident agreements, determining accommodation charges and fees, and engaging staff and service providers. Change HK shall be entitled to retain all operational income derived from the student hostel. Change HK shall bear all expenses in respect of the conversion of the Property into a student hostel, and all operational expenses, including staff costs, security, cleaning, daily maintenance, utilities, internet, licensing and insurance costs.

The Landlord's Obligations

The Landlord shall be responsible for rates and government rent, property tax, other government rates attributable to the landlord, and capital contributions under the deed of mutual covenant. The Landlord shall provide all necessary landlord-level consents, authorisations and documentation required for Change HK's licensing and operation of the student hostel.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Property is being renovated and converted into a student hostel in accordance with the HKSAR Government's "Hostels in the City Scheme". The Operation Lease allows the Group to leverage its expertise in property management and operation to generate stable operational income from the student hostel business, thereby creating value for the Company and its Shareholders. The entering into of the Operation Lease also represents a significant milestone for the Group, as it signals the

Group's strategic entry into the Hong Kong property market. By establishing a presence in Hong Kong's property sector through the operation of the student hostel, the Group will be well-positioned to capitalise on the growing demand for student accommodation in Hong Kong, whilst also laying the foundation for the Group to explore further opportunities in the Hong Kong property market. The Board believes that this strategic expansion into Hong Kong will enhance the Group's geographical diversification, broaden its revenue base, and strengthen its long-term competitive position in the region.

The Directors (including the independent non-executive Directors) consider that the Operation Lease was entered into in the ordinary and usual course of business of the Group and upon normal commercial terms or better to the Group, and the terms of the Operation Lease are fair and reasonable and in the interests of the Company and its Shareholders as a whole. None of the Directors had a material interest in the Operation Lease or was required to abstain from voting in respect of the relevant board resolution(s). However, Ms. Leng Wei Qing, an executive director and the chairlady of SIIC; Mr. Zhang Qian, an executive director and the president of SIIC; Mr. Yao Jia Yong, an executive director of SIIC, have voluntarily abstained from voting on the Board resolution approving the Operation Lease.

GENERAL INFORMATION

The Group is principally engaged in the businesses of infrastructure and environmental protection, real estate and consumer products.

Change HK is an indirect wholly-owned subsidiary of SIUD (being a non-wholly owned subsidiary of the Company) and its principal business activity is real estate and property management, accommodation and catering services.

The Landlord is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of SIIC. The Landlord is the legal owner of the Property.

SIIC is principally engaged in financial investment, medicine, infrastructure and environmental protection, real estate and consumer products. It is wholly-owned by State-owned Assets Supervision and Administration Commission of Shanghai Municipal Government.

SIUD is a company incorporated under the laws of Bermuda with limited liability, and is an investment holding company.

LISTING RULES IMPLICATIONS

SIIC is the controlling shareholder of the Company holding approximately 63.16% of the entire issued share capital of the Company, and is therefore a connected person of the Company. The Landlord is an indirect wholly-owned subsidiary of SIIC and therefore an associate of SIIC and a connected person of the Company.

Pursuant to HKFRS 16, the Property leased under the Operation Lease will be recognised as right-of-use assets, and the transaction contemplated under the Operation Lease will be recognised by the

Company as an acquisition of right-of-use assets. Accordingly, the entering into of the Operation Lease constitutes a one-off connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the value of the right-of-use asset to be recognised by the Company in connection with the Operation Lease pursuant to HKFRS 16 exceed 0.1% but all of them are below 5%, the entering into of the Operation Lease and the transactions contemplated thereunder are subject to the reporting and announcement requirements, but are exempt from the circular, independent financial advice and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

"associate", "connected person", "controlling shareholder(s)", "percentage ratio(s)" and "subsidiary(ies)"	each has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Change HK"	SIUD Change (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SIUD
"Commencement Date"	the date from which the initial term of the lease under the Operation Lease commences
"Company"	Shanghai Industrial Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 363)
"Director(s)"	the directors of the Company
"Group"	the Company together with its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants
"HKSAR Government"	the Government of Hong Kong

"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Landlord"	Prime Location Shopping Centre Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SIIC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Operation Lease"	the operation lease dated 21 May 2026 and entered into between Change HK and the Landlord whereby Change HK agrees to lease and operate the Property as a student hostel
"PRC"	the People's Republic of China, which, solely for the purposes of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
"Property"	the property located at 39, 41, 43, 45 and 47 Wai Ching Street, Jordan Road, Yau Ma Tei, Kowloon, Hong Kong
"Shareholder(s)"	the holders of the shares of the Company
"SIIC"	Shanghai Industrial Investment (Holdings) Company Limited, a company incorporated in Hong Kong with limited liability and the controlling shareholder of the Company
"SIUD"	Shanghai Industrial Urban Development Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 563)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

By order of the Board of
Shanghai Industrial Holdings Limited
Yee Foo Hei
Company Secretary

Hong Kong, 21 May 2026

As at the date of this announcement, the Board comprises:

Executive Directors:
Ms. Leng Wei Qing, Mr. Zhang Qian, Mr. Yao Jia Yong and Mr. Xu You Li

Independent Non-Executive Directors:
Mr. Leung Pak To, Francis, Mr. Yuen Tin Fan, Francis, Prof. Zhang Qian and Mr. Tang, William Harry Jiasheng